



September 20, 2005

Mr. John F. Carter
Regional Director
FDIC San Francisco Regional Office
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 94105

Subject: FDIC Application #20051977, Wal-Mart Application for ILC

Dear Mr. Carter:

I am writing to urge you to deny the application now before you submitted by the Wal-Mart Stores, Inc. for federal deposit insurance for its proposed industrial loan company charter (ILC).

Wal-Mart has a long history of destabilizing communities by driving local companies out of business. Over the past twenty years, we have witnessed the detrimental effect of Wal-Mart stores on the local economy in thousands of communities.

It is well documented that Wal-Mart stores use predatory pricing practices to capture market share. Were Wal-Mart allowed to implement these practices in the banking industry, surely the stability of the community banks would suffer the same fate as the locally owned and operated retailers on main streets throughout America where Wal-Mart now operates. This would undermine the strong local economies upon which America is founded.

The request for an ILC Charter appears to be a thinly veiled attempt for a non-bank to get into banking while side-stepping federal restrictions on the separation of banking and commerce. It is yet another attempt for the Wal-Mart Corporation to enter into full-fledged banking services including the extension of credit to both its suppliers and customers. The size of the Wal-Mart buying clout already has the ability to set pricing among its suppliers. There would be no reason to believe the same would not also occur if banking services are allowed to be offered. Furthermore, once the local bank is gone, why would Wal-Mart be willing to lend to any remaining local businesses? They would be seen as a competitor to the Wal-Mart market.

I urge you to deny Wal-Mart's application for federal deposit insurance for its Wal-Mart ILC. Such an entity poses a grave danger for unleashing a full spectrum of anti-competitive activity. This potential concentration of economic power is a risk not only to the banking industry but the FDIC Insurance system as well. The growth of this country is due, in large part, to the unique system of banking in which banks serve as neutral arbiters of credit. Allowing commercial firms, such as Wal-Mart, to enter via the backdoor into the business of banking threatens the very safety and soundness of the banking industry itself.

Sincerely,

Gaylord Anderson
President

cc: The Honorable Donald E. Powell